

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Appellants: Jay S. Walker, John M.	)	Group Art Unit: 3622
Packes, Jr., Daniel E.	)	
Tedesco, Stephen C.	)	Examiner: CHAMPAGNE,
Tulley, Keith Bemmer,	)	Donald
James A. Jorasch	)	
	)	<b>REPLY BRIEF</b>
Application No.: 10/642894	)	
	)	Attorney Docket No.: 99-029-C1
Filed: August 18, 2003	)	
	)	
For: METHOD AND APPARATUS	)	
	)	
FOR IDENTIFYING	)	
	)	
POTENTIAL BUYERS	)	
	)	
	)	
	)	

**BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Dear Sir:

Appellants submit this Reply Brief under 37 C.F.R. § 41.41 following the Examiner's Answer mailed October 18, 2006.

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## **REBUTTAL OF EXAMINER'S ANSWER**

### **1.     Introduction**

Appellants specifically rebut the following assertions provided for the first time in the Examiner's Answer (paper mailed October 18, 2006).

This Reply Brief augments but does not replace the arguments for patentability made in the Third Appeal Brief (Appellant's Appeal Brief filed July 24, 2006).

Some arguments provided in the Third Appeal Brief are referred to for convenience.

## 2. Section 102(b)—Ring

Appealed Claims 77, 78, 81, and 82 stand rejected under 35 U.S.C. § 102(b) as being anticipated by Ring.

### 2.1. Claim 77

The Examiner now admits:

Ring does not teach both issuing a reward and applying a penalty.  
That is true, but irrelevant.

[Examiner's Answer, page 8 (emphasis added)].

Accordingly, the Examiner must agree that if the scope of the method of Claim 77 is limited by requiring both steps of *issuing the reward to the potential buyer* and *applying a penalty to the financial account of the potential buyer if the potential buyer does not purchase the item within the particular time period*, then Claim 77 cannot be anticipated by Ring and the Section 102(b) rejection of Ring must be reversed.

However, for the first time (after four Office Actions), the Examiner asserts that the final step of Claim 77 is optional:

Fifth, (optionally) *applying a penalty to the financial account of the potential buyer* occurs inherently when the seller keeps the potential buyer's deposit on contract/earnest money, if the buyer does not purchase the real estate item within a particular time period.

\* \* \*

The last limitation of claim 77 is optional. It applies only when the buyer does not purchase, and is therefore not an effective limitation ("Claim scope is not limited by claim language that suggests or makes optional but does not require steps to be performed..." (MPEP 2111.04)).

[Examiner's Answer, page 8 (emphasis added)].

According to the Examiner's interpretation, Claim 77 could be re-written without the entire last step of *applying the penalty*, and the scope of the claim would be unaffected. In other words, the Examiner has found that Claim 77 encompasses both (1) embodiments in which a penalty is not applied, and (2) embodiments in which a penalty is applied. Appellants traverse the Examiner's effective removal of the explicit step of *applying a penalty*.

The Examiner's claim construction cannot withstand scrutiny. Nothing in the claim language indicates that the step of *applying a penalty* is optional in performing the method recited in Claim 77. The Examiner is correct in understanding that in Claim 77 performance of the step of applying is performed if the potential buyer does not purchase the item within the particular time period. That does not mean that the applying step is optional in Claim 77. To the contrary, the applying step is required in Claim 77 in order to practice the claimed method, and the applying step is therefore claim language that limits the claim scope. The alternative, in which no penalty is applied, is simply outside the scope of Claim 77.

[Appellants note that although method Claim 77 recites *applying a penalty*, Appellants disclosure describes various embodiments in which a penalty is not necessarily applied. Appellants' arguments are directed to particular claims (or groups of claims), and are not to be considered as necessarily pertaining to or representative of all embodiments described in Appellants' disclosure.]

As the Examiner has admitted that Ring does not teach a method including steps of both *issuing a reward to the potential buyer* and *applying a penalty*, and Claim 77 is limited by both of those steps, the Section 102(b) rejection of Claim 77 must be reversed. The Examiner has failed to establish a prima facie case of anticipation, and in any case Ring does not teach all of the limitations of Claim 77.

Also with respect to Claim 77, the Examiner asserts: "This is the broadest and key claim." [Examiner's Answer, page 7]. Appellants do not understand the

intent of this finding, nor do they necessarily agree with it. Claim 77 differs in scope (as required) from all the other pending claims. Appellants have never indicated that Claim 77 is the “broadest” or “key” or essential in any aspect. Separate arguments have been provided for different claims (or groups of claims).

The Examiner reiterates his findings that

Second, *determining a reward based on the intent data* is inherent when the contract price is determined, because the reward is the difference between the contract and (higher) asking price.

\* \* \*

Fourth, *issuing the reward to the buyer* [sic—*potential buyer*] inherently occurs at closing when the buyer receives the property at a discount from the listing price, said discount being the reward.

[Examiner’s Answer, page 8]. Appellants maintain their traversal of these findings, which still are not supported by substantial evidence of record. See Third Appeal Brief, pp. 23-25. The Examiner has failed to meet the standard of establishing inherent teachings, which requires that the asserted subject matter is necessarily (not just probably) present in the cited reference. The Examiner has failed to establish that the steps of *determining* and *issuing a reward to the potential buyer* are necessarily present in Ring.

The Examiner asserts:

The reward is the buyer getting the property at a discount from the seller’s asking price. A penny saved is a penny earned. This is hardly a matter of speculation. Rather, it is a matter of claim language interpretation.

[Examiner’s Answer, page 6].

The above statement outlines the Examiner’s flawed construction of the claimed subject matter. Claim 77 recites *determining a reward for the potential buyer based on the intent data, in which the reward comprises money for the potential buyer and issuing the reward to the potential buyer*.

The Examiner's interpretation requires an understanding that any discounted amount or "penny saved" is money for a potential buyer and is issued to the potential buyer. The Examiner has never explained how an amount that does not have to be paid (according to the Examiner's reliance on Ring) is somehow *issued* to anybody, much less *to a potential buyer*.

The Examiner now asserts:

Para. [0010] of the published application (US 20040039639A1) discloses, "In exchange for the information provided, the potential buyer is offered a reward, such as a gift or discount" (emphasis added). The same para. [0010] discloses that "the information" is a description of an item that the potential buyer intends to purchase.

The examiner accepts that a "reward" is something offered in exchange for a description of an item that the potential buyer intends to purchase. As explained in the rejection, the contract of sale is the description of an item that the potential buyer intends to purchase, and the discount from the seller's offering price is the reward received by the buyer for said information/contract of sale.

[Examiner's Answer, page 6]. The Examiner's quotation from the published application is accurate: a reward could be offered in the form of a gift or discount.

The Examiner, however, misunderstands the quotation:

First, as has been noted above, appellant's own disclosure...defines a discount as a reward.

[Examiner's Answer, page 8]. That is not correct. Appellants' disclosure describes a discount as one form a reward may take—it does not "define" all discounts as rewards. More specifically, some rewards may be discounts, but not all discounts are rewards. For example, as explicitly provided for in Claim 77, a *reward* may be offered and issued that comprises *money*. See, e.g., Specification, [0055] ("...any type of reward and/or number of rewards may be offered, such as coupons, discounts, rebates, products, vouchers, services and/or money."); FIG. 11 (285) ("seller reward offers" for "discount coupons," "\$25.00," and "mail-in

rebate”). Thus, even if discounts were known generally in the prior art (which Appellants acknowledge), and even if a reduction in a listing price of a house is a discount, nothing in that prior knowledge suggests that such a reduction in a listing price is a *reward* for anything, much less a *reward comprising money for the potential buyer*, much less a *reward issued to a potential buyer*.

With respect to Appellants’ argument that the Examiner has not provided any reasoning why a seller would “reward” a buyer of a house with a lower price, the Examiner replies:

The answer is or [sic—of] course that the seller of real estate accepts a contract price less than their listing or asking price because they have to. The seller wants to sell the property and has given up hope of getting anyone to accept his or her listing/asking price.

[Examiner’s Answer, page 9]. This explanation highlights the mistaken approach the Examiner has taken with respect to his real estate scenario. According to the Examiner’s unsupported allegation, any buyer is issued a reward whenever a sale is completed at a lower price. The more reasonable interpretation is that the buyer is simply making a purchase at the lower price—no party is “rewarded” for finalizing the exchange of real estate for valuable consideration.

Appellants dispute the Examiner’s argument that it was known in the prior art that “the discount from the seller’s offering price is the reward received by the buyer for said information/contract of sale.” [Examiner’s Answer, page 7]. There is nothing in Ring suggesting that a seller would reward a buyer for simply providing a contract or even providing a description of the property for sale. It is not clear why a seller would reward a buyer simply for providing a contract for sale. The Examiner does not articulate any reasoning as to why a reward would be issued for that action, and Ring does not suggest such a reward or a reason for rewarding the providing of a contract for sale.



There is no indication in the record, and no reasoning articulated by the Examiner, as to how any amount “saved” by the buyer in his scenario *is issued to a potential buyer*. To the contrary, in the scenario the actual buyer is simply not required to spend that amount; nothing is *issued* to any buyer or *potential buyer*.

Neither the Examiner’s evidence of record nor his interpretation of Ring provides a reasonable explanation of how the lowering of an initial price suggests a reward that comprises money, or issuing such a reward to a potential buyer, much less how a seller who lowers a price upon mere receipt of a contract for sale would have suggested an entity who is issuing a reward to a potential buyer. Nothing in Ring suggests “the discount from the seller’s offering price is the reward received by the buyer for said information/contract of sale.”

To the extent that the Examiner is relying solely upon Ring as teaching that the particular combination of claimed subject matter of Claim 77 was known to one of ordinary skill in the art, the Section 102(b) rejection cannot stand. The Examiner has failed otherwise to indicate substantial evidence in support of the Examiner’s assertions as to what was known. Accordingly, the Examiner has failed to establish a prima facie case of anticipation for Claim 77, and the cited reference cannot support a rejection for anticipation. Appellants request reversal of the Section 102(b) rejection of Claim 77.

## 2.2. Claim 78

Claim 78 depends from independent Claim 77, discussed above. All of the arguments provided with respect to Claim 77 are equally applicable to Claim 78 and are incorporated by reference in this section. In particular, the Examiner admits that Ring does not teach both steps of *issuing a reward to the potential buyer* and *applying a penalty*.

Claim 78 provides for the additional limitation of *calculating the penalty, wherein the calculation takes into account a value of the reward*. The Examiner has not established, by substantial evidence of record, that the additional claimed subject matter was known to one of ordinary skill in the art at the time of invention.

The Examiner asserts:

Second, appellant argues (pp. 28-29) that the rejection [of Claim 78] is “illogical” because “the alleged difference is irrelevant to the earnest money calculation”. Appellant has a point, but appellant’s conclusion is not correct. Appellant has essentially illustrated that “k”, the “proportionality constant” in the mathematical part of the rejection (p. A3 of the appendix to this examiner’s answer), is in fact not constant.

[Examiner’s Answer, page 9]. Appellants take the Examiner’s admission that Appellants have a point as a finding that the Examiner agrees that the amount of the asserted difference is not relevant to the earnest money calculation. The Examiner’s admission supports Appellants’ argument that that Ring does not suggest even calculating the “earnest money” based on the “difference” between an asking price and a contract price, much less *calculating the penalty, wherein the calculation takes into account a value of the reward*. The Section 102(b) rejection must be reversed for at least this reason.

The Examiner misunderstands Appellants' critique of the "proof." The actual value of the proportionality constant,  $k$ , is irrelevant to the argument. The issue is that the "proof" unnecessarily and inappropriately, and based solely on impermissible hindsight, complicates the equation of (1) to somehow take into account how the contract price was arrived at relative to an earlier price. To argue that a prior price or a related "difference" is "taken into account" in the "earnest money" calculation is specious, particularly where the Examiner concedes Appellants' argument that there is no relevant relationship between the two. Neither the initial price nor the "difference" has anything to do (any more than any other arbitrary values) with how the "earnest money" is determined, because only the contract price is relevant to the calculation (as the Examiner admits).

The Examiner also asserts:

Appellant merely claims that the penalty calculation "takes into account" the reward. It has been shown in the rejection that penalty *dep* and the reward *rwd* are mathematically related, within certain limits, which reads on "takes into account".

[Examiner's Answer, page 10]. Appellants do not understand this assertion. The Examiner admits that the "difference" between the closing and listing prices is irrelevant to the determined value of the "earnest money." Where the initial price could be any value, the corresponding "difference" could be any value, and the "earnest money" calculation would still only take into account the closing price, Appellants cannot understand the Examiner's maintaining a position that that the calculation would have been (or could now) understood as somehow taking the "difference" into account.

Nothing in Rice or in the Examiner's proof suggests that a value of a reward would be taken into account in calculating a penalty. The Examiner has failed to establish a prima facie case of anticipation of Claim 78 for at least this reason.

To the extent that the Examiner is relying solely upon Ring as teaching that the particular combination of claimed subject matter of Claim 78 was known to one of ordinary skill in the art, the Section 102(b) rejection cannot stand. The Examiner has failed otherwise to indicate substantial evidence in support of the Examiner's assertions as to what was known, and those assertions, even if true, could not support an anticipation rejection. Accordingly, the Examiner has failed to establish a prima facie case of anticipation for Claim 78, and the cited reference cannot support an anticipation rejection. Appellants request reversal of the Section 102(b) rejection of Claim 78.

### 2.3. Claim 81

Claim 81 is independent. The rejection of Claim 81 is flawed because the Examiner still has not made a prima facie case of anticipation. The record cannot support the Examiner's rejection of Claim 81 as anticipated by Ring.

The Examiner still does not articulate any reasoning as to how the cited portion of Ring (p. 317) teaches *determining a reward offer associated with a reward based on at least one of the degree of specificity, the degree of certainty, and a length of the particular time period*. In particular, the Examiner has failed to explain how reducing a listing price suggests a reward offer, much less a reward offer associated with a reward that is based on any of the information specified in Claim 81.

Claim 81 recites steps of *receiving a confirmation signal indicating that the potential buyer purchased the item within the particular time period and applying a penalty to the financial account of the potential buyer when the potential buyer has not purchased the item within the particular time period*. Ring does not teach or suggest a method including both of these steps. The Examiner has failed to establish a prima facie case of anticipation of Claim 81 for at least this reason.

The Examiner asserts that Claims 81 and 77 differ only in how the reward offer is determined. [Appellants note that Claim 77 does not explicitly recite determining a reward offer.] As discussed above with respect to Claim 77, the Examiner makes the unsupported assertion that Ring teaches a "reward." Ring is devoid of any hint that any "difference" would have been understood in the prior art as the recited *reward* or *reward offer*. The Examiner has failed to establish a prima facie case of anticipation of Claim 81 for at least this reason.

To the extent that the Examiner is relying solely upon Ring as teaching that the particular method of Claim 81 was known to one of ordinary skill in the art, the

Section 102(b) rejection cannot stand. The Examiner has failed otherwise to indicate substantial evidence in support of the Examiner's assertions as to what was known. Accordingly, the Examiner has failed to establish a prima facie case of anticipation for Claim 81, and the cited reference cannot support an anticipation rejection. Appellants request reversal of the Section 102(b) rejection of Claim 81.

## 2.4. Claim 82

Claim 82 depends from independent Claim 81, discussed above. All of the arguments provided with respect to Claim 81 are equally applicable to Claim 82 and are incorporated by reference in this section.

Claim 82 provides for the additional limitation of *calculating the penalty, wherein the calculation takes into account a price of a reward associated with the reward offer*. The Examiner has not established, by substantial evidence of record, that the additional claimed subject matter was known to one of ordinary skill in the art.

The Examiner expressly relies only on the same findings discussed above with respect to Claim 78. [Examiner's Answer, pages 9-10]. The record cannot support the Examiner's rejection of Claim 82 as anticipated by Ring.

As explained above with respect to Claim 78, the argument provided in the Examiner's Answer does not establish any basis for the assertion that Ring suggests the additional claimed limitation of *calculating the penalty, wherein the calculation takes into account a price of a reward associated with the reward offer*. Contrary to the Examiner's specious mathematical "proof," Ring does not even hint that a penalty may be calculated taking into account a value of a reward. Even if the Examiner's interpretation is correct (which Appellants dispute), that would not teach or suggest calculating the penalty in the specific manner claimed. The Examiner has failed to establish a prima facie case of anticipation of Claim 82 for at least this reason.

To the extent that the Examiner is relying solely upon Ring as teaching that the particular combination of claimed subject matter of Claim 82 was known to one of ordinary skill in the art, the Section 102(b) rejection cannot stand. The Examiner has failed otherwise to indicate substantial evidence in support of the

Examiner's assertions as to what was known, and those assertions, even if true, could not support an anticipation rejection. Accordingly, the Examiner has failed to establish a *prima facie* case of anticipation for Claim 82, and the cited reference cannot support an anticipation rejection. Appellants request reversal of the Section 102(b) rejection of Claim 82.



3. **Section 103(a)—Abecassis + Ring**

Appealed independent Claims 89 and 90 stand rejected under 35 U.S.C. § 103(a) as being obvious in light of Abecassis and Ring.

The Examiner has still failed to establish a prima facie case of obviousness for Claims 89 and 90. In particular, the Examiner has failed to establish by substantial evidence of record that the claimed subject matter of *software operative to run on the processor to issue a reward to a potential buyer in exchange for demand information, the demand information including at least a description of an item the potential buyer intends to purchase within a particular time period*, was known at the time of invention.

The record cannot support the Examiner's rejection of Claims 89 and 90 as being obvious in light of Abecassis and Ring.

As discussed above with respect to Claim 77, there is no teaching or suggestion in Ring of *a reward in exchange for demand information*. Those arguments are incorporated with respect to Claims 89 and 90. In summary, the hypothetical scenario of a difference between “the buyer’s proposed price and the seller’s (higher) asking/listed price” being a reward has been conveniently manufactured by the Examiner—it cannot be supported by Ring (and the Examiner’s “proof” is not substantial evidence). Accordingly, there is also no hint of *issuing such a reward to the potential buyer, or software operative to provide for issuing such a reward*. Nothing in the record suggests that such a “difference” would have ever been conceived of as a “reward” by one of ordinary skill in the art. The Examiner has failed to establish a prima facie case of obviousness of Claims 89 and 90 for at least these reasons.

To the extent that the Examiner is relying solely upon Abecassis and Ring as teaching that the particular combinations of claimed subject matter of Claims 89

and 90 were known to one of ordinary skill in the art, the Section 103(a) rejection cannot stand. The Examiner has failed otherwise to indicate substantial evidence in support of the Examiner's assertions as to what was known. Accordingly, the Examiner has failed to establish a prima facie case of obviousness for Claims 89 and 90, and the cited references cannot support an obviousness rejection. Appellants request reversal of the Section 103(a) rejection of Claims 89 and 90.

#### 4. Section 103(a)—Ring

Appealed Claims 79, 80, and 83-88 stand rejected under 35 U.S.C. § 103(a) as being obvious over Ring and asserted subject matter that is not supported by any evidentiary basis made of record.

Although Claims 79, 80, and 83-88 are argued separately (and do not stand and fall together), Appellants submit the following arguments with respect to all of Claims 79, 80, and 83-88, in response to statements made in the Examiner's Answer. Some additional arguments with respect to some of those claims are provided below in separate sections.

In the Third Appeal Brief, Appellants explained how the Examiner admits that Ring does not teach all of the subject matter of any of Claims 79, 80, and 83-88, yet for those claims the only cited evidence of what was allegedly known in the prior art is Ring. [pages 46-47]. In summary, the Examiner alleges that subject matter recited in Claims 79, 80, and 83-88 is missing from Ring but was “knowledge generally available.” The Examiner, however, has never indicated any objective evidentiary basis on which to base the finding that the asserted subject matter was actually “knowledge generally available.”

The Examiner now explicitly admits that no evidence of record has been (or will be) provided to support his various assertions as to what was known in the prior art at the time of invention, assertions that are expressly relied upon in rejecting Claims 79, 80, and 83-88. [Examiner's Answer, pages 7, 10-11]. The Section 103(a) rejections in light of Ring must be reversed at least for this reason.

The Examiner bases his refusal to indicate the source of his assertion that the missing subject matter was known on a misunderstanding of relevant case law. In summary, the Examiner believes that if alleged subject matter is labeled as

“knowledge generally available,” the Examiner is freed from the burden of making of record any evidence of that knowledge. For instance, the Examiner asserts:

The law does not require a rejection under 35 USC § 103(a) to be supported by any evidence of record. “The rationale to modify or combine the prior art does not have to be expressly stated in the prior art; the rationale may be...reasoned from knowledge generally available to one of ordinary skill in the art” (MPEP 2144).... Knowledge generally available to homebuyers is, under the law, admissible in support of a rejection under 35 USC § 103(a).

[Examiner’s Answer, pages 10-11].

Appellants agree that “knowledge generally available” may support a finding of a rationale to modify or combine the prior art under 35 U.S.C. § 103(a).

What the Examiner has misunderstood, however, is that any assertions of such knowledge must be supported by actual evidence of record. Applicable law outlined in the Third Appeal Brief is repeated below for convenience.

Substantial evidence of findings with respect to the prior art must be made of record. Were it otherwise, there would be no record that could be meaningfully reviewed by the Board. The Board is not permitted to accept conclusory, unsupported findings made by the Primary Examiner that are not supported by substantial evidence made of record. All findings of fact by the U.S. Patent and Trademark Office must be supported by substantial evidence within the record. In re Gartside, 203 F.3d 1305, 1315, 53 U.S.P.Q.2D 1769, 1775 (Fed. Cir. 2000). Unsupported assessments of the prior art are unacceptable for purposes of review. “Rather, the Board must point to some concrete evidence in the record in support of these findings. To hold otherwise would render the process of appellate review for substantial evidence on the record a meaningless exercise.” In re Zurko, 258 F.3d at 1385-86.

This includes assessments as to what was “knowledge generally available.” Evidence of a suggestion, teaching, or motivation to combine may flow from the

prior art references themselves, the knowledge of one of ordinary skill in the art, or, in some cases, from the nature of the problem to be solved. In re Dembiczak, 175 F.3d 994, 999, 50 U.S.P.Q.2D 1614, 1617 (Fed. Cir. 1999); see also, e.g., Nat'l Steel Car, Ltd. v. Canadian Pac. Ry., Ltd., 357 F.3d 1319, 1337-39, 69 U.S.P.Q.2D 1641, 1655-56 (Fed. Cir. 2004) (finding that whether or not a drawing and disclosure had been disseminated to a sufficiently broad public so as to give either the status of a prior art reference, they (and corresponding witness testimony) were evidence relevant to whether a motivation to combine was implicit in the knowledge of one of ordinary skill in the relevant art).

“The range of sources available, however, does not diminish the requirement for actual evidence” showing the teaching or motivation to combine—“particular findings regarding the locus of the suggestion, teaching, or motivation to combine the prior art references” must be made. Dembiczak, 175 F.3d at 999-1000 (“Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor’s disclosure as a blueprint for piecing together the prior art to defeat patentability--the essence of hindsight.”). See also, In re Kotzab, 217 F.3d 1365, 1371, 55 U.S.P.Q.2D 1313, 1317 (Fed. Cir. 2000) (“Whether the Board relies on an express or an implicit showing [of a teaching, motivation, or suggestion to combine or modify], it must provide particular findings related thereto.”) Any findings of prior knowledge in the field of the invention (including purported motivations to combine) must be supported by tangible teachings of materials made of record. Cardiac Pacemakers, 381 F.3d at 1376 (“Prior knowledge in the field of the invention must be supported by tangible teachings of reference materials “).

The Examiner simply asserts in the Office Actions that the missing subject matter was known. The Examiner has never asserted that the Examiner has

personal knowledge of the missing subject matter, much less offered into evidence an affidavit attesting to the scope or source of that personal knowledge.

Without any actual evidence in the record that the subject matter admittedly missing from Ring was known, and also no evidence of record of a rationale to modify Ring were it established that such subject matter were known, it may be inferred from the record that the Examiner has arbitrarily rejected the claims as obvious and seeks to justify that rejection, impermissibly, with unsupported assessments of the prior art. The Examiner ignores the requirement that all findings of fact must be supported by actual evidence of record, including the findings of what the Examiner alleges was “knowledge generally available.”

To reject claims in an application under section 103, an examiner must show an un rebutted prima facie case of obviousness. In re Rouffet, 149 F.3d 1350, 1355, 47 U.S.P.Q.2D 1453, 1455 (Fed. Cir. 1998). The Examiner admits that no prima facie case has been made, for at least the reasons that the Examiner admits Ring does not suggest the missing features, no evidence of the missing features (or a motivation for providing for any of the missing features) is of record, and the Examiner has stated that no evidence has to be made of record. The Examiner admits that cited references cannot support a rejection under 35 U.S.C. § 103(a). Accordingly, the Section 103(a) rejections of Claims 79, 80, and 83-88 must be reversed.

#### **4.1. Claims 86 and 87**

Claim 86 is independent. Claim 87 depends from independent Claim 86. All of the arguments discussed with respect to Claim 86 are equally applicable to Claim 87.

Appellants note that, as discussed in the Third Appeal Brief, Claim 86 recites steps of *issuing a reward* and *applying a penalty*. As discussed above with respect to Claim 77, the Examiner now has admitted that Ring does not teach a method including both steps. As with respect to Claim 77, the applying step in Claim 86 is not optional, but is an explicit limitation on the claim scope. The Examiner has failed to establish a prima facie case of obviousness for at least this reason. Further, Ring does not teach or suggest a method including steps of both *issuing a reward* and *applying a penalty*. The Examiner has failed to establish a prima facie case of obviousness for at least this reason.

Further, as discussed above with respect to Claim 77, the Examiner still has failed to establish by substantial evidence that Ring teaches a *reward* or *reward offer*. The Examiner has failed to establish a prima facie case of obviousness for at least this reason.

The Examiner has failed to establish a prima facie case of obviousness, and the cited references cannot support a rejection under 35 U.S.C. § 103(a). Appellants request reversal of the Section 103(a) rejection of Claims 86 and 87.

#### **4.2. Claim 88**

Claim 88 depends from independent Claim 86, discussed above. All of the arguments provided with respect to Claim 86 are equally applicable to Claim 88 and are incorporated by reference in this section.

Claim 88 provides for the additional limitation of *wherein the penalty is calculated based on a value of the reward*. The Examiner expressly relies only on Ring. The record cannot support the Examiner's rejection of Claim 88 as obvious in light of Ring.

As discussed above with respect to Claim 78, Ring does not show that this claimed subject matter was known, or even hint that a penalty may be calculated taking into account a difference between an initial and a closing price, much less a value of a reward. The Examiner's "proof" does not substantiate the Examiner's assertion that the claimed subject matter is inherent in Ring, and Ring does not even hint at such a relationship. The Examiner has failed to establish a prima facie case of obviousness of Claim 88 for at least this reason, and the cited references cannot support a rejection under 35 U.S.C. § 103(a).



## CONCLUSION

Thus, the Examiner's rejection of the pending claims is improper at least because the Examiner has not provided a proper legal basis for rejecting any claim. Therefore, Appellants respectfully request that the Examiner's rejections be reversed.

If any issues remain, or if there are any further suggestions for expediting allowance of the present application, please contact Michael Downs using the information provided below.

Appellants hereby request any extension of time that may be required to make this Appeal Brief timely. Please charge any fees that may be required for this paper, or credit any overpayment, to Deposit Account No. 50-0271.

Respectfully submitted,

December 18, 2006

Date

/Michael Downs 50252/

Michael Downs  
Attorney for Appellants  
Registration No. 50, 252  
Walker Digital, LLC  
mdowns@walkerdigital.com  
(203) 461-7292 /voice  
(203) 461-7300 /fax